INTERNAL AUDIT SERVICES

AN AUDIT OF THE SUISUN FAIRFIELD ROCKVILLE CEMETERY DISTRICT OF SOLANO COUNTY



For the fiscal year ended June 30, 2009 and the eight month period ended June 30, 2008

Auditor-Controller: Simona Padilla-Scholtens, CPA
Audit Manager: Ian Goldberg, CGAP
Auditor: Melinda Ingram, CPA

Suisun Fairfield Rockville Cemetery District of Solano County

For the fiscal years ended June 30, 2009 and the eight month period ended June 30, 2008

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Suisun Fairfield Rockville Cemetery District of Solano County

For the fiscal years ended June 30, 2009 and the eight month period ended June 30, 2008

Board of Trustees *

Jim Campi, Chairperson

James Robinson Mary Ellsworth

Dorothy Little John Estes

Wayne Engell

* As of report date

Earl Kilmer

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OFFICE OF THE AUDITOR-CONTROLLER

SIMONA PADILLA-SCHOLTENS, CPA

COUNTY AUDITOR-CONTROLLER

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PHYLLIS TAYNTON, CPA
ASSISTANT AUDITOR-CONTROLLER

Independent Auditor's Report

Board of Trustees Suisun Fairfield Rockville Cemetery District of Solano County

We have audited the accompanying basic financial statements of the Suisun Fairfield Rockville Cemetery District of Solano County, as of and for the fiscal year ended June 30, 2009 and the eight month period ended June 30, 2008. These financial statements are the responsibility of the Suisun Fairfield Rockville Cemetery District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements for California Special Districts*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Suisun Fairfield Rockville Cemetery District as of June 30, 2009 and 2008, and the changes in financial position for the fiscal year and eight month period then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 4 through 11, the schedule of funding progress and budgetary comparison information on pages 30 through 32, are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Simona Padilla-Scholtens, CPA

Auditor-Controller

August 12, 2010

Suisun Fairfield Rockville Cemetery District

Management's Discussion and Analysis

The Suisun Fairfield Rockville Cemetery District formed as the result of the reorganization of Suisun-Fairfield and Rockville Cemetery Districts. The main factor for the reorganization was to provide effective and efficient services to individuals within the District's boundaries based on economies of scale of public cemetery services. The residual equity from Suisun-Fairfield and Rockville Cemetery Districts was transferred to the newly formed Suisun Fairfield Rockville Cemetery District.

As management of the Suisun Fairfield Rockville Cemetery District of Solano County, California (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2009 and the eight month period ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information in our financial statements.

Financial Highlights

- The District's net assets totaled \$6,176,124 at June 30, 2009 and \$5,768,314 at June 30, 2008. Of these amounts, \$3,321,438 and \$3,115,252 (unrestricted net assets) at June 30, 2009 and 2008, respectively, may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's total net assets increased by \$407,810 as a result of the current year's operations and decreased by \$197,694 as a result of eight month period 2007/08 operations.
- The District's governmental funds reported an ending fund balance of \$3,944,213 at June 30, 2009 and \$3,703,223 at June 30, 2008, of which \$2,140,393 and \$1,921,203, respectively, are available for spending at the District's discretion (unreserved, undesignated fund balance).
 - ➤ At June 30, 2009, the remaining amounts of \$535,932, \$50,600 and \$24,542 are reserved for perpetual care of the cemetery, the imprest cash fund, and inventory respectively, and \$189,854, \$932,239, \$70,000, and \$653 are designated for future equipment acquisition, future capital improvements, retirement health, and other purposes, respectively.
 - At June 30, 2008, the remaining amounts of \$513,457, \$50,600 and \$28,455 are reserved for perpetual care of the cemetery, the imprest cash fund, and inventory respectively, and \$189,854, \$929,001, \$70,000, and \$653 are designated for future equipment acquisition, future capital improvements, retirement health, and other purposes, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three

components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 14-19 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20-28 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budgetary comparison schedule for the General Fund and the schedule of funding progress for the retirement program. Required supplementary information can be found on pages 30-32 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a District's financial position. In the case of the District, assets exceeded liabilities by \$6,176,124 and \$5,768,314 at June 30, 2009 and the eight month period ended June 30, 2008, respectively.

The District's investment in capital assets totaled \$2,318,754 and \$2,139,605, or approximately 37% of the District's net assets at June 30, 2009 and June 30, 2008, respectively. The investment in capital assets is composed of land, infrastructure, structures and improvements, equipment, and construction in progress less any related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt, if any, must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the District's net assets are controlled by external restrictions totaling \$535,932 and \$513,457, or approximately 9%. These amounts represent resources subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets totaling \$3,321,438 and \$3,115,252, or approximately 54% of the District's net assets may be used to meet the District's ongoing obligations to citizens and creditors.

Suisun Fairfield Rockville Cemetery District Statement of Net Assets as of June 30, 2009 & 2008

	6/30/2009		6/30/2008		
Assets:					
Current and other assets	\$	4,548,105	\$	4,233,191	
Capital assets, net of accumulated depreciation		2,318,754		2,139,605	
Total assets	\$	6,866,859	\$	6,372,796	
Liabilities:					
Current liabilities	\$	603,892	\$	529,968	
Noncurrent liabilities		86,843		74,514	
Total liabilities		690,735		604,482	
Net Assets:					
Invested in capital assets, net		2,318,754		2,139,605	
Restricted for:				, ,	
Perpetual care (nonexpendable)		535,932		513,457	
Unrestricted		3,321,438		3,115,252	
Total net assets		6,176,124		5,768,314	
Total liabilities and net assets	\$	6,866,859	\$	6,372,796	

The key elements in the significant changes in current assets and liabilities are as follows:

<u>Current assets</u>: Current assets increased by \$314,914 from the eight month period 2007/08 to fiscal year 2008/09. The primary reason for the increase is due to favorable operations for the current fiscal year resulting in an increase to the District's cash balance in the Treasury Pool.

<u>Current liabilities</u>: The increase of \$73,924 from the eight month period is attributed to an increase in accounts payable and deposits payable. These accounts represent amounts due to vendors for services and supplies purchased by the District and prepaid/installment sales of preneed services and products offered by the District (such as cemetery plot and niche sales, endowment fees, and other burial products and services), respectively.

Non-current liabilities: Non-current liabilities increased by \$12,329 as a result of an increase in the amount owed to District employees for accrued vacation and sick leave, based on District policy.

Suisun Fairfield Rockville Cemetery District Changes in Net Asssets For the fiscal year ended June 30

	2009		Eight month period ended 2008		
Program expenses:			_		
Employee services	\$	597,020	\$	447,404	
Depreciation		81,655		50,465	
Special district expense		3,776		4,311	
Maintenance		15,235		38,347	
Professional & specialized services		56,497		63,598	
Household expense		11,041		5,484	
Insurance		45,052		19,363	
Utilities		43,040		34,290	
Transportation & travel		10,522		8,285	
Supplies		19,410		29,206	
Property tax refunds		8,701		4,460	
Communication		5,838		3,588	
Rents and leases		8,651		7,894	
Small tools & instruments		3,205		4,573	
Non-capitalized equipment		2,112		7,514	
Contributions to non-county agencies		-		150	
Purchases for resale		14,884		-	
Miscellaneous		5,191		2,709	
Total program expenses		931,830		731,641	
Program revenues:	-				
Charges for services		204,678		185,071	
Operating grants and contributions		22,475		26,654	
Total program revenues		227,153		211,725	
Net program expenses		704,677		519,916	
General revenues:					
Property taxes		826,194		-	
Revenues from the use of money and property		101,514		132,904	
Intergovernmental revenues		181,117		183,467	
Gain on sale of fixed assets		425		1,850	
Miscellaneous revenues		3,237		4,001	
Total general revenues		1,112,487		322,222	
Extraordinary item:					
Residual equity transfer		-		5,966,008	
Change in net assets		407,810		5,768,314	
Net assets:					
Beginning of the year		5,768,314		-	
End of the year	\$	6,176,124	\$	5,768,314	

Governmental activities increased the District's net assets by \$407,810 during fiscal year 2008/09, which represents an increase of 7% from the eight month period 2007/08 total net assets.

The key elements in the significant changes in net assets are as follows:

<u>Program revenues</u>: Program revenues increased by \$15,428 from prior eight month reporting period due to the increase in services and merchandise provided by the District.

<u>Program Expenses</u>: Program expenses increased by \$200,189 from prior eight month reporting period due to the following:

- Employee services, which includes salaries, benefits, retirement contributions and worker's compensation insurance costs increased by \$149,616.
- Depreciation expense increased by \$31,190.
- Purchases for resale increased by \$14,884.

<u>General revenues</u>: General revenues increased by \$790,265 from prior eight month reporting period due to the timing of the recognition of property taxes.

Financial Analysis of the District's Governmental Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The General Fund is a governmental fund type used to account for general government functions of the District. The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2009 and 2008, the District's governmental funds reported a combined ending fund balance of \$3,944,213 and \$3,703,223, respectively. This resulted in an increase of \$240,990 for the fiscal year ended June 30, 2009 and an increase of \$3,703,223 for the eight month period ended June 30, 2008. Of the ending fund balances, \$2,140,393 and \$1,921,203 constitute unreserved, undesignated fund balance, which is available for spending at the District's discretion.

Governmental revenues totaled \$1,339,216 in fiscal year 2008/09 and \$532,097 in the eight month period 2007/08. This represents a 152% increase from the eight month period 2007/08 to fiscal year 2008/09. The increase is primarily due to the consolidation of the two Districts. Secured property taxes are apportioned in advance of collection, at the time the taxes are levied. The fiscal year 2007/08 property taxes were levied and apportioned on October 1, 2007. As a result of this timing issue, there were no property taxes recorded for the newly formed District for eight month period ending June 30, 2008.

Conversely, expenditures totaled \$1,098,651 in fiscal year 2008/2009 and \$908,179 in the eight month period 2007/08. This represents a 21% increase from the eight month period 2007/2008 to fiscal year 2008/09 which is primarily due to increases in both the employee services and capital outlay categories.

The Permanent Fund is the District's perpetual-care fund, which provides resources for the current and future maintenance of the cemetery. The District's Permanent Fund reports resources that are legally restricted to the extent that only earnings, and not principal, can be used to support the District's current maintenance costs, if necessary.

Budgetary Highlights

The General Fund budget (Original and Final versions) is reflected in the Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual, as presented on pages 30-31 in the Required Supplementary Information (RSI) section of this report.

There were numerous changes between the original budget and the final amended budget of the General Fund in fiscal year 2008/09. The changes for the fiscal year were the result of budget adjustments decreasing property tax, intergovernmental revenue, rental income, and professional and specialized services. In addition, increases were made between the capital outlay and property tax refund categories. For fiscal year 2008/09, revenues recognized exceeded budget by \$7,954 and expenditures incurred were less than budget by \$796,456.

There were minimal changes between the original budget and the final amended budget of the General Fund in the eight month period 2007/08. The changes for the fiscal year were the result of budget adjustments increasing the property taxes, capital outlay, and several other expenditure categories. For the eight month period 2007/08, revenues recognized were less than budget by \$972,654 and expenditures incurred were less than budget by \$532,148.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets as of June 30, 2009 and 2008 totaled \$2,318,754 and \$2,139,605 (net of accumulated depreciation) respectively. This investment in capital assets includes land, construction in progress, infrastructure, equipment and structures and improvements. The net capital assets increased by \$179,149 at June 30, 2009.

The District's most significant capital expenditure for fiscal year 2008/09 and the eight month period 2007/08 was the construction cost associated with the new office building at the Suisun Fairfield Cemetery.

Suisun Fairfield Rockville Cemetery District Capital Assets (net of depreciation)

	2009		2008	2007		
Land	-\$	927,664	\$ 927,664	\$	927,664	
Infrastructure		527,897	549,630		564,119	
Structures and improvements		441,512	461,963		438,726	
Construction in progress		285,396	48,513		-	
Equipment		136,285	151,835		37,244_	
Total capital assets	\$	2,318,754	\$ 2,139,605	\$	1,967,753	

Additional information on the District's capital assets can be found in Note A on page 25 of this report.

Long-term debt. At June 30, 2009 and 2008 the District had \$86,843 and \$74,514, respectively, of long term debt owed for compensated absences. This amount is entirely backed by the full faith and credit of the District. For more information see Note B on page 26 of this report.

Economic factors and Next Year's Operating Activity

The District's management anticipates a continued decline in current economic conditions that will negatively impact various revenue sources in the upcoming fiscal year, more specifically: property taxes, interest income and redevelopment pass through funds. The District plans to offset the overall projected decrease by reducing operating costs wherever possible. This could involve fewer capital expenditures that improve or enhance District operations as well as completing only those maintenance projects that are absolutely necessary.

Requests for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District's Board of Trustees, 4219 Suisun Valley Rd., Suisun Valley, CA 94534.

Suisun Fairfield Rockville Cemetery District Statement of Net Assets June 30, 2009 and 2008

	2009			2008	
ASSETS					
Current assets					
Cash & equivalents	\$	4,523,563		\$	4,204,736
Inventory		24,542			28,455
Total current assets		4,548,105			4,233,191
Noncurrent assets					
Capital assets, net (Note D)					
Land		927,664			927,664
Infrastructure		527,897			549,630
Structures and improvements		441,512			461,963
Equipment		136,285			151,835
Construction in progress		285,396			48,513
Total noncurrent assets		2,318,754			2,139,605
Total assets	\$	6,866,859		\$	6,372,796
LIABILITIES					
Current Liabilities					
Accounts payable	\$	228,422		\$	29,602
Outstanding warrants	•	-		·	34,439
Due to others		261,965			379,583
Deposits payable		113,505			86,344
Total current liabilities		603,892			529,968
Noncurrent liablities					
Noncurrent portion of long-term obligations		86,843			74,514
Total noncurrent liabilities		86,843			74,514
Total liabilities		690,735			604,482
Net Assets					
Invested in capital assets, net		2,318,754			2,139,605
Restricted for		, ,			
Perpetual care (nonexpendable)		535,932			513,457
Unrestricted		3,321,438			3,115,252
Total net assets		6,176,124			5,768,314
Total liabilities and net assets		6,866,859		\$	6,372,796

Statement of Activities For the fiscal year ended June 30, 2009 and the eight month period ended June 30, 2008

	2009	2008
Program expenses:		
Employee services	\$ 597,020	\$ 447,404
Depreciation	81,655	50,465
Special district expense	3,776	4,311
Maintenance	15,235	38,347
Professional & specialized services	56,497	63,598
Household expense	11,041	5,484
Insurance	45,052	19,363
Utilities	43,040	34,290
Transportation & travel	10,522	8,285
Supplies	19,410	29,206
Property tax refunds	8,701	4,460
Communication	5,838	3,588
Rents & leases	8,651	7,894
Contributions to non-county agencies	-	150
Purchases for resale	14,884	-
Small tools & instruments	3,205	4,573
Non capitalized equipment	2,112	7,514
Miscellaneous	5,191	2,709
Total program expenses	931,830	731,641
Program revenue:		
Charges for services	204,678	185,071
Operating grants and contributions	22,475	26,654
Total program revenue	227,153	211,725
Net program expenses	704,677	519,916
General revenues:		
Property taxes	826,194	•
Interest income	85,014	114,179
Building rental income	16,500	18,725
Intergovernmental revenues	181,117	183,467
Gain on sale of fixed assets	425	1,850
Miscellaneous	3,237	4,001
Total general revenues	1,112,487	322,222
Extraordinary item:		- 0 < < 0.00
Residual equity transfer	-	5,966,008
Change in net assets	407,810	5,768,314
Net assets:		
Beginning of the year	5,768,314	-
End of the year	\$ 6,176,124	\$ 5,768,314

Suisun Fairfield Rockville Cemetery District Balance Sheet Governmental Funds June 30, 2009

						Total
					Go	vernmental
		General	P	ermanent_		Funds
Assets						
Cash & equivalents	\$	3,221,590	\$	1,301,973	\$	4,523,563
Due from other funds		50		-		50
Inventory		24,542				24,542
Total assets	\$	3,246,182	\$	1,301,973	\$	4,548,155
Liabilities						
Accounts payable	\$	228,422	\$	-	\$	228,422
Due to others		21,711		240,254		261,965
Due to other funds		-		50		50
Deposits payable		113,505		-		113,505
Total liabilities	•	363,638		240,304		603,942
Fund Balance						
Reserved for:						
Perpetual care		-		535,932		535,932
Imprest cash		50,600		-		50,600
Inventory		24,542		-		24,542
Unreserved, designated for:						
Future equipment acquisition		189,854		-		189,854
Future capital improvements		932,239		-		932,239
Retirement health		70,000		-		70,000
Other		653		-		653
Unreserved, undesignated		1,614,656		525,737		2,140,393
Total fund balance		2,882,544		1,061,669		3,944,213
Total liabilities and fund balance	\$	3,246,182	\$	1,301,973	\$	4,548,155

Suisun Fairfield Rockville Cemetery District Balance Sheet Governmental Funds June 30, 2008

						Total
					Go	vernmental
		General	Permanent			Funds
Assets						
Cash & equivalents	\$	2,814,616	\$	1,390,120	\$	4,204,736
Inventory	Ψ	28,455	•	-		28,455
Total assets	\$	2,843,071	\$	1,390,120	\$	4,233,191
Liabilities						
Accounts payable	\$	29,602	\$	_	\$	29,602
Outstanding warrants	Ť	34,439		-		34,439
Due to others		647		378,936		379,583
Deposits payable		86,344		-		86,344
Total liabilities		151,032		378,936		529,968
Fund Balance						•
Reserved for:						
Perpetual care		-		513,457		513,457
Imprest cash		50,600		-		50,600
Inventory		28,455		-		28,455
Unreserved, designated for:						
Future equipment acquisition		189,854		-		189,854
Future capital improvements		929,001		-		929,001
Retirement health		70,000		-		70,000
Other		653		-		653
Unreserved, undesignated		1,423,476		497,727		1,921,203
Total fund balance		2,692,039		1,011,184		3,703,223
Total liabilities and fund balance	\$	2,843,071	\$	1,390,120	\$	4,233,191

Suisun Fairfield Rockville Cemetery District Reconciliation of the Balance Sheet of the Governmental Funds to the Statement of Net Assets For the fiscal year ended June 30, 2009 and the eight month period ended June 30, 2008

		2009	2008
Governmental Fund Balances	\$	3,944,213	\$ 3,703,223
Amounts reported for governmental activities in the statement of net assets			
are different because:			
Capital assets used in government activities are not financial			
resources and, therefore, are not reported in the funds.			
Land		927,664	927,664
Infrastructure, net of \$246,608 and \$224,876			
accumulated depreciation 2008/09 and 2007/08 respectively		527,897	549,630
Structures and improvements, net of \$489,568 and \$466,616			
accumulated depreciation 2008/09 and 2007/08 respectively		441,512	461,963
Equipment, net of \$291,927 and \$254,956			
accumulated depreciation 2008/09 and 2007/08 respectively		136,285	151,835
Construction in progress		285,396	48,513
I are taken liabilities are not due and naviable in the comment named and			
Long-term liabilities are not due and payable in the current period and			
therefore are not reported in the funds		(96 942)	(74,514)
Compensated absences		(86,843)	(74,314)
Net assets of governmental activities	\$	6,176,124	\$ 5,768,314
incl assets of governmental activities	<u> </u>	0,170,121	 -,,

Suisun Fairfield Rockville Cemetery District Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

For the fiscal year ended June 30, 2009

	General		Special General Revenue		Go	Total vernmental Funds
Revenues:						
Property taxes	\$ 8	26,194	\$	-	\$	826,194
Charges for services		04,678	·	-	•	204,678
Intergovernmental revenues		81,117		-		181,117
Interest income		57,004		28,010		85,014
Building rental income		16,500		, -		16,500
Operating grants and contributions		· •		22,475		22,475
Miscellaneous		3,238		, -		3,238
Total revenues	1,2	88,731		50,485		1,339,216
Expenditures:						
Employee services	5	84,692		-		584,692
Capital outlay	2	60,803		_		260,803
Professional & specialized services		56,497		-		56,497
Insurance		45,052		-		45,052
Utilities		43,040		-		43,040
Supplies		19,410		-		19,410
Maintenance		15,235		-		15,235
Purchases for resale		14,884		-		14,884
Household expense		11,042		-		11,042
Transportation & travel		10,522		-		10,522
Property tax refunds		8,701		-		8,701
Rents & leases		8,651		-		8,651
Communication		5,838		_		5,838
Special district expense		3,776		-		3,776
Small tools & instruments		3,205		-		3,205
Non-capitalized equipment		2,112		_		2,112
Miscellaneous		5,191		-		5,191
Total expenditures	1,0	98,651				1,098,651
Excess of revenues over expenditures	1	90,080		50,485		240,565
Other financing sources:						
Sale of fixed assets		425		-		425
Total other financing sources		425				425
Net change in fund balance	1	90,505		50,485		240,990
Fund balance - beginning	2,6	92,039	1	1,011,184		3,703,223_
Fund balance - ending		82,544	-	1,061,669	\$	3,944,213

Suisun Fairfield Rockville Cemetery District Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds

For the eight month period ended June 30, 2008

	General	Special Gov General Revenue		
Revenues:				
Charges for services	\$ 185,071	\$ -	\$ 185,071	
Intergovernmental revenues	183,467	-	183,467	
Interest income	76,410	37,769	114,179	
Building rental income	18,725	-	18,725	
Operating grants and contributions	,·	26,654	26,654	
Miscellaneous	4,001	-	4,001	
Total revenues	467,674	64,423	532,097	
Expenditures:				
Employee services	452,090	-	452,090	
Capital outlay	222,317	-	222,317	
Professional & specialized services	63,598	-	63,598	
Maintenance	38,347	-	38,347	
Utilities	34,290	-	34,290	
Supplies	29,206	-	29,206	
Insurance	19,363	-	19,363	
Transportation & travel	8,285	-	8,285	
Rents & leases	7,894	-	7,894	
Non-capitalized equipment	7,514	-	7,514	
Household expense	5,484	-	5,484	
Small tools & instruments	4,573	-	4,573	
Property tax refunds	4,460	-	4,460	
Special district expense	4,311	-	4,311	
Communication	3,588	-	3,588	
Contributions to non-county agencies	150	-	150	
Miscellaneous	2,709		2,709	
Total expenditures	908,179	_	908,179	
Excess (deficiency) of revenues over				
(under) expenditures	(440,505)	64,423	(376,082)	
Other financing sources:				
Sale of fixed assets	1,850	-	1,850	
Total other financing sources	1,850	-	1,850	
Extraordinary item:				
Residual equity transfer	3,130,694	946,761	4,077,455	
Net change in fund balance	2,692,039	1,011,184	3,703,223	
Fund balance - beginning	-			
Fund balance - ending	\$ 2,692,039	\$ 1,011,184	\$ 3,703,223	

Suisun Fairfield Rockville Cemetery District Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the fiscal year ended June 30, 2009 and the eight month period ended June 30, 2008

	2009	2008
Net change in fund balances	\$ 240,990	\$ 3,703,223
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay in fiscal year 2008/09 and 2007/08. Capital outlay Depreciation expense Amount by which capital outlays are more than depreciation	260,803 (81,655) 179,148	 222,317 (50,465) 171,852
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund. Residual equity transfer Compensated absences	 (12,328) (12,328)	 1,888,553 4,686 1,893,239
Change in net assets of governmental activities	 407,810	\$ 5,768,314

Suisun Fairfield Rockville Cemetery District of Solano County Notes to the Financial Statements For the fiscal year ended June 30, 2009 and the eight month period ended June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Suisun Fairfield Rockville Cemetery District (District) of Solano County was formed on September 21, 2007 as a result of the consolidation of the Suisun Fairfield Cemetery District and Rockville Cemetery District. The Local Agency Formation Commission of Solano County, California (LAFCo) formally agreed to the proposal to reorganize operations resulting in the dissolution of the Rockville and Suisun Fairfield Cemetery Districts. The new District continues to operate two public cemeteries, the Rockville Cemetery and the Suisun Fairfield Cemetery, under sections 8125 to 8137 and 9000 to 9093 of the Health and Safety Code for the State of California.

The Board of Trustees consisting of seven (7) members, serving four-year terms, governs the District. The Board of Supervisors of Solano County approves the appointment of each Trustee.

B. Government-wide and Fund Financial Statements

The District's financial accounts are maintained in accordance with generally accepted accounting principles (GAAP) and the uniform accounting system for districts prescribed by the State Controller in compliance with the Government Code of the State of California.

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the activities of the primary government. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year they are levied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized